



AP Issue Led Astray, Once Again

After what seemed a tension-filled build-up, International Trade and Industry Minister Datuk Seri Rafidah Aziz's appearance in Parliament to clear the air on the AP issue was a tame affair, with attention being diverted to a different angle. So, who's to offer the real answers?

HAS THE debate on the approved permits (APs) for the importation of motorcars gone cold?

Or have the Members of Parliament (MPs), as Barisan Nasional (BN)'s Backbenchers Club Chairman Datuk Shahrir Abdul Samad put it, let International Trade and Industry Minister Datuk Seri Rafidah Aziz off the hook?

It would appear from media reports that after her rare 45-minute appearance in Parliament on Oct 4, the issue has taken a totally different direction.

Instead of debating what went wrong with the quota system, attention has been diverted to Rafidah's threat to sue Lim Kit Siang, and the disciplinary action against two BN members for allegedly siding with the Leader of the Opposition.

To begin with, one wonders if Rafidah can sue Kit Siang for alleging that she gave APs to her son-in-law and 'friends'. The opposition chief, like all MPs, enjoys the privilege of the *Dewan* to say whatever he wishes, except on subjects that are prohibited under the Seditious Act. Rafidah can hope to sue Kit Siang only if he repeats his allegations outside the *Dewan*. So, Rafidah's threat to sue Kit Siang lacks a strong basis.

As for the punishment meted out to Datuk Bung Mokhtar Radin (Kinabatangan) and Datuk Mohamed Aziz (Sri Gading) for supporting Kit Siang's motion, the real issue, to my mind, is not the stern warning to them by the BN Whip, Datuk Seri Mohamad Najib Tun Razak. The real question is whether or not the BN believes in the freedom of speech and cares about protecting the interest of the people.

Surely, the larger interest of the people must prevail over the concern about decorum among its MPs, or about them having identical views with the opposition.

In this particular instance, it is the controversy surrounding the way Rafidah and her ministry had handled the issuance and distribution of the APs.

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It does not speak well of our MPs, except for Bung Mokhtar and Mohamed Aziz, for the way the debate progressed. One has to agree with Shahrir that the MPs were responsible for letting Rafidah get away without answering questions about the APs.

MP first, then only minister

NOBODY is denying that Rafidah is a hardworking minister. We all know that she is away from the country many times a year on official business. But she is also an MP.

Given her superior intelligence and her vast experience, I am very sure that she can plan her domestic and international engagements in such a manner as to leave her sufficient time to attend Parliament sittings more regularly.

The same applies to other ministers. But since the mainstream media chooses to publish only Rafidah's parliamentary attendance, we are in no position to say if other ministers have a better or worse attendance record than her.

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MPs or Senators, they would not stand a chance of becoming ministers. So, their first responsibility is to Parliament.

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– Ministers, Deputy Ministers and Parliamentary Secretaries.

They are unable to distinguish between their government duties and their responsibilities to their constituents. Thus, despite the prevalence of Malay and Bumiputera MPs and State Assemblymen, many Bumiputera-related issues are not getting sufficient airing.

Since the current Government has made it clear that it gives priority to Parliament, ministers must take their parliamentary duties seriously.

By ordering Rafidah to appear before Parliament, the Government reaffirmed its commitment to the people via Parliament.

When outflow is just as important as inflow

WE know that Rafidah has to work hard to bring foreign direct investment (FDI) into the country. We also recognise her invaluable contribution as our principal trade negotiator. This country could do with more negotiators of her calibre.

We are under pressure. FDI inflows, while remaining steady, are no longer going into labour-intensive sectors.

We are now number three in Asia after China and Singapore. The competition for FDI is growing from countries like India, Thailand and Vietnam.

In recent years, the bulk of FDI has been going into the petroleum sector, which does not produce large employment opportunities. Petroleum is a capital-intensive industry. This may partly explain why many university graduates are unemployed.

Then, there is the outflow of capital that has to be understood and addressed. It may not be Rafidah's responsibility, but somebody in the Government must start looking at this issue seriously.

It is a well-known fact that many large Malaysian companies and tycoons have either not been investing in this country or have been taking large amounts of capital out. Take the richest Malaysian, Robert Kuok Hock Nien, for instance. Although he continues to maintain a strong presence in Malaysia, he has for decades been investing heavily in China and elsewhere.

In recent years, more Malaysian companies and tycoons – the likes of Maxis Communications Bhd, Tanjong Public Limited Company, YTL Corporation Bhd, Genting Bhd and Hong Leong Industries Bhd – have been aggressively investing abroad. Genting is proposing to invest RM5.5 billion in Singapore.

Even Khazanah Nasional Bhd and

a host of other government-linked companies (GLCs) are actively investing abroad.

While it is neither wise nor possible to stop Malaysian companies and individuals from investing overseas, we cannot turn a blind eye to the effects of their actions, bearing in mind that they have made billions from projects, contracts and monopolies at home.

Malaysians, especially those who cannot dream of living or even travelling abroad, have every right to know why these companies and tycoons are, on the one hand, taking out their money and on the other not bringing home the profits they make from their overseas investment.

If only these companies and tycoons were to bring back part of their profits and invest them at home, we would certainly see better growth and would be able to reduce our dependence on FDIs.

DREAMS GONE WRONG

IT was billed 'a dream team' by the mainstream Malaysian media. Led by Prime Minister Datuk Seri Abdullah Ahmad Badawi, it had all the trappings of a successful investment mission.

It made high-profile sales pitches in two of the world's most important capital markets – London and New York. It visited London on Sept 12 and New York a day later.

It was jointly organised by US investment bank Merrill Lynch and local heavyweight ECM Libra Bhd.

The latter is chaired by Datuk Kalimullah Masheerul Hassan, who at the point of writing, was also the Group Editor-in-Chief of The New Straits Times Press (Malaysia) Bhd, and counts among its key executives Deputy Umno Youth Chief Khairy Jamaluddin.

The delegation comprised the who's who of the non-Bumiputera corporate galaxy – the likes of Tan Sri Francis Yeoh (YTL), Datuk Lim Kok Thay (Genting) and Ralph Marshall (Astro) – and a handful of Bumiputera managers of the GLCs.

Ironically, barely a week after the 'successful' road show, Merrill Lynch downgraded Malaysia's stock market to 'underweight' while upgrading that of South Korea.

The Singapore *Business Times* newspaper in a dispatch from Kuala Lumpur noted: 'With one voice the global investment bank Merrill Lynch sings praises of Malaysia as an investment haven and with another it is warning the investors off, much to the irritation of parts of

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Kuala Lumpur's business and government community.' It added: 'Merrill's regional strategy report dated Sept 20 was essentially a plug for the Korea exchange. But in overweighting Korea, the Malaysian bourse got downgraded to underweight, owing to a relatively limited upside.

'Indeed some Malaysian businessmen say that the Merrill research report could be interpreted as a put-down of the "success" of the road show. More particularly, they say the fiasco cannot have provided any kudos for ECM Libra – the Malaysian boutique financier – who roped in Merrill Lynch to help organise the road show.'

So the angry Bumiputera businessman, who complained incessantly about what he described as the lack of Bumiputera participation in the delegation, should thank his good fortune for not being invited to be a member. Dreams have turned into nightmares.

Either as a consequence of the downgrading by Merrill Lynch or a coincidence, Credit Suisse First Boston, another US-based international investment bank, on Sept 30 – the day that the Prime Minister presented the 2006 Budget – revised the Malaysian equities downward.

This was followed on Oct 3 by the Hong Kong brokerage unit of ABN Amro Holding NV, which downgraded the Kuala Lumpur bourse from overweight to neutral.

So, what went wrong? Only those associated with the London-New York investment mission may have the ultimate explanation. They may want to enlighten us on what had actually happened – especially the mismatch between the glorious picture painted by the mainstream media and the downgrading exercises that followed.

THINKING OUT OF THE *TEMPURUNG*

AGRICULTURE, alongside programmes for the poor, the promotion of higher education, the advancement of professional skills and small contractors received considerable attention in the 2006 Budget.

While this is welcomed, much more has to be done to translate the new policy on agriculture into action.

The tendency is to blame the lack of progress on manpower and marketing. But the manpower policy for agriculture is largely in place. We have been allowing the employment of foreign workers in agricultural sub-sectors like palm oil, vegetable gardening and food processing.

Marketing, however, remains a contentious point. Against the backdrop of growing sophistication in global marketing and branding, our efforts and expertise in this area are still very basic.

Despite decades of existence and strong official support, the Federal Agricultural Marketing Authority (Fama) has not gone beyond the domestic market and the *pasar tani* (farmers' market).

There is an even trickier problem – land. Take our two most promising fruits – pomelo and star fruit. They are largely grown on TOL land or illegally on state land.

It's time for the country to adopt a more proactive approach to agricultural production and marketing. We

have the experience in producing and marketing palm oil. We successfully fought the American smear campaign against palm oil some years ago.

Since we have been told often enough to think outside the box, why don't we leave the safety of our *tempurung* (coconut shell) and think big?

For instance, since Khazanah and the GLCs are venturing abroad, why don't they consider acquiring control

of one or more of the international hypermarkets so that we can use them to market our agricultural products globally?

It isn't a crazy idea. We have done it before. We raided the London Stock Exchange (LSE) to gain control of plantation giant Guthrie back in the 1980s. Sime Darby is already a shareholder in the local arm of Tesco Hypermarket.

It may even be good for the soul of our celebrated GLC managers to occasionally think of national interest instead of merely the bottom line.

After all, they very often claim that they are doing national service irrespective of the fact that there have been cases of some of them demanding multi-million ringgit rewards and severance packages.

Why do we have to stop with the single raid on the LSE to gain control of Guthrie, or just participating in the local operations of international marketers?

We do not have to repeat the method. We can use other M&A approaches. Temasik and a host of other Singapore Government companies have been doing this for years. They are now aggressively buying into Malaysian companies. So, why shouldn't we do likewise in Singapore and elsewhere? **mb**

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